

DRAFT

MANAGED RISK MEDICAL INSURANCE BOARD Healthy Families Program Advisory Panel Summary Meeting of February 22, 2005 Sacramento, California

Members Present: Jack Campana, Martha Jazo-Bajet, M.P.H., Michael Kirkpatrick, Barbara Clifton-Zarate, M.P.H., Maria Villalpando, Ellen Beck, M.D., Steven Tremain, M.D., Elizabeth Stanley-Salazar, Leonard Kutnik, M.D., Paul Morris, D.D.S.

Staff Present: Lesley Cummings, Janette Lopez, Sarah Soto-Taylor, Mary Watanabe, Monica Martinez

Board Members: Virginia Gotlieb, M.P.H.

Introductions

Jack Campana, Healthy Families Program (HFP) Advisory Panel chair, opened the meeting by introducing himself and asking the Panel members, staff and audience to introduce themselves.

Welcome New Panel Members and Administer Oath of Office

Mr. Campana stated that six members had been appointed to the Panel, three of whom including him were re-appointed. Janette Lopez, Deputy Director of Eligibility, Enrollment and Marketing for MRMIB administered the oath of office to the following four Panel members who were present at the meeting:

- Jack Campana, Education Representative (reappointed);
- Martha Jazo-Bajet, R.N., M.P.H., the Health Plan Representative (reappointed);
- Maria S. Villalpando, Subscriber Representative; and
- Paul Morris, D.D.S., Licensed Practicing Dentist Representative

Review and Approval of the November 9, 2004 Healthy Families Program (HFP) Advisory Panel Meeting Summary

Barbara Clifton-Zarate requested that the following change be made to the second paragraph on page 8:

“Panel member Barbara Clifton-Zarate ~~Jantha Thompson~~ stated that she has seen an improvement in customer service and professionalism, but not in the processing of appeals and disenrollment.”

In addition, references throughout the meeting summary to “Mr. Kutnik” and “Mr. Tremain” were changed to “Dr. Kutnik” and “Dr. Tremain”, respectively.

The Panel approved the November 9, 2004 HFP Advisory Panel Meeting Summary with the requested amendments.

Budget Update

Lesley Cummings, Executive Director for MRMIB, reviewed the Highlights of the 2005-06 Governor’s Budget. Ms. Cummings stated that the Governor’s Budget fully funds the projected HFP enrollment in the current and the budget year, and restores the Certified Applications Assistance (CAA) fees. She added that the Board would be sponsoring legislation that would start the CAA payments in the current year.

Elizabeth Stanley-Salazar asked what the rationale was for the restoration of CAA payments. Ms. Cummings responded that there were resources available for outreach as a result of the Anthem/Wellpoint merger that was deposited in the General Fund (GF). In the early years there was \$50-60 million each year for various outreach programs. She added that the restoration of CAA payments is the highest priority because of their demonstrated efficacy in improving the quality of applications and facilitating enrollment.

Ms. Cummings stated that the budget also includes \$3.1 million for the anticipated enrollment impact of the establishment of the Medi-Cal to HFP bridge performance standards that will be created by the Department of Health Services (DHS). The bridge extends coverage for one month for those whose income is too high for Medi-Cal, so that they can apply for HFP. Currently, the counties are extending their coverage, but not getting the applications to HFP. This new initiative would establish performance standards that would be enforced by DHS. DHS will be doing a presentation at the March 23, 2005 Board meeting on the new performance standards.

Ms. Cummings stated that overall the budget was kind to the Board and made strategic investments in children’s health care; however, it did not provide funding for the Consumer Assessment of Plans Survey (CAPS) or for Encounter Data collection. This will be the second year that the consumer satisfaction survey will not be conducted. This information is provided to subscribers in the handbook and is used to make judgments about the quality of service the plans are providing. Ms. Cummings also said that the Administration also plans to update the joint HFP/Medi-Cal application. Steven Tremain, M.D., stated that he hoped the goal was for it to get shorter and simpler. Ms. Cummings responded that this was the goal.

The budget also presumes that the state will obtain federal SCHIP funds for the AIM program and the Medi-Cal program for undocumented pregnant women. This will switch funding for AIM from Prop 99 funds to general fund and federal funds beginning in the current year. Dr. Tremain asked where the Proposition 99 funds were going. Ms.

Cummings stated that DHS is creating expenditure funds for it, but she hasn't seen it. She added that she would have the information for the Panel at the next meeting.

Ms. Cummings stated that the budget provides thirty new positions to address the workload needs. In addition, the budget provided three new positions to develop, implement and monitor the CAA reimbursement process. DHS used to administer the CAA program, so this is new territory for both MRMIB and Maximus. Staff is in the process of writing business rules and figuring out how the CAA payments will work. Ms. Cummings stated that the Board received 30 positions in the budget, but the unallocated reductions in the budget would reduce 13 of those positions.

Mr. Kirkpatrick made a motion that a letter be sent to the fiscal committee supporting the additional MRMIB staff. The motion passed unanimously.

Ms. Cummings reviewed the summary of the State Child Health Insurance Program (SCHIP) Title XXI Federal Funds. Leonard Kutnik, M.D. stated that he appreciated the information and that it was very helpful. He asked for an explanation of the SCHIP dollars that were given back in regards to those that are carried forward. Ms. Cummings responded that the State can spend the allotment for three years, but in the last several years, the Federal Government has given a longer period in some years and in others, they haven't. She added that California's unspent funds are no longer funding the expenditures of other states.

Dr. Kutnik stated that HFP did particularly well in the budget and asked if there were any circumstances that resulted in the Administration taking this position. Ms. Cummings stated that a big difference has been the advocacy of the Agency Secretary, Kim Belshé, for children's health services. Secretary Belshé convened a work group to see what can be done to advocate for universal health care for children. She also encouraged the work group to come up with ideas that can be done now. Virginia Gotlieb, MRMIB Board member, also commented that the fact that workload problems had been discussed at the Board's public meetings was also a major factor.

Ellen Beck, M.D. stated that at the last meeting she had brought up the idea of the Panel developing a strategic plan that would focus on key issues such as mental health, orthodontics and parents. She asked if the Panel could embark on something like this. Ms. Cummings responded that it was up to the Panel. Mr. Campana asked that this be put on the agenda for the next meeting and asked Dr. Beck to be the lead contact. Dr. Tremain stated that he would also be interested in leading the discussion.

Paul Morris, D.D.S., asked how MRMIB fits in with county Healthy Kids programs. Ms. Cummings explained that county Healthy Kids programs serve children ineligible for HFP or Medi-Cal due to immigration status or having income that exceeds the HFP level of 250%. State law allows counties to claim FFP for children with family income between 250 – 300% and those dollars appear in the state budget. The budget also provides MRMIB with staff to develop a "buy in" program for counties that want to cover ineligible children but don't want to develop their own program.

Ms. Stanley-Salazar stated that in her opinion the big issues are enrollment, access and utilization and when surveys are being cut out of the budget, it is important to remember that these are very important to the infrastructure. Instead of thinking about new money for new benefits, the Panel needs to keep in mind the quality of the infrastructure. It has to be a good benefit package and has to be evaluated and encouraged. She added that as a substance abuse provider, the benefit package is grossly inadequate because utilization is unknown or not provided.

Dr. Kutnik commented that in some of these areas there is a way to get external funding to measure quality of care, particularly when there are a lot of organizations interested in the data on the programs. Ms. Cummings stated that the Board has not had the staff in place to ask for external funding. The Board has not had a Benefits Deputy Director and there were some staffing cuts in the Benefits unit, but once a new Deputy Director is in place and staff is restored, the Board will be able to turn its attention to these sources. She added that the foundations have been reluctant to bail out departments when the state is no longer spending the money.

Mr. Campana asked if parental expansion would be coming back in 2006. Ms. Cummings responded that this Governor has never made a commitment to cover parents and there is no federal funding for it anymore. Ms. Stanley-Salazar stated that the problem is not going to go away and that health insurance is one of the most critical issues in the state. Ms. Cummings stated that under SB 2, the Board was given the responsibility of the purchasing pool and the Institute for Health Policy is looking at implementation issues for the Board. She added that they will be doing a presentation at the March 2, 2005 Board meeting.

Dr. Kutnik asked how the addition of the 17 positions compared to the Board's maximum staffing level. Ms. Cummings replied that the most positions the Board had was 75 and the addition of the 17 positions would bring it back up there. She added that there are still workload issues and there is still a backlog for appeals, but it is better than it could be. Dr. Kutnik stated that at the last meeting there was a three month backlog on appeals and asked what the current wait time was. Sarah Soto-Taylor, Eligibility, Enrollment and Marketing Manager for MRMIB, stated that it is currently six months. Board Member Virginia Gotlieb, M.P.H. stated that the reduction in staff and the increased workload has resulted in turnover, which creates its own issue with new staff. She added that the addition of 17 staff is something that just keeps the Board afloat. The workload will continue to increase, but staff has barely been restored. She stated that the Board is grateful given the circumstances and it still has to be approved, but it is just keeping the Board viable.

Dr. Beck asked if the Panel could get a copy of the Institute for Health Policy report. Ms. Cummings asked if she would like the PowerPoint presentation, the full report or the executive summary. Dr. Beck stated that she would like to see the executive summary at the next meeting.

Dr. Beck asked if there was anything that could be done to reduce the appeals backlog in the short term. Ms. Cummings stated that the Eligibility Division has tried to expedite the process by having staff come in on the weekends, but there is still a backlog. Ms. Lopez added that her division has had a 99% turnover and that they are receiving more appeals than they can put out each month. Until staff can get their skill set up, they are continuously adding to the back log. Michael Kirkpatrick asked if there was a correlation between disenrollment and enrollment and what the impact is on appeals. Ms. Cummings responded that enrollment and disenrollment does have an impact on appeals. She added that Maximus was new too and everyone had a learning curve that led to appeals. The workload should die down as Maximus staff become trained, but initially it did add to the appeals. Mr. Kirkpatrick stated that with all of the problems, there is less desire for families to continue in the program.

Ms. Soto-Taylor reviewed the first level appeals process that is done by Maximus and stated that they are up to date on first level appeals. She stated that MRMIB staff must review all second level appeals. Dr. Kutnik asked how many second level appeals the Board currently has. Ms. Soto-Taylor responded that they currently have 1,300 that are over 60 days old.

Mr. Campana noted that the last few years had been very difficult for MRMIB staff due to staffing reductions, operating budget cuts, staff freezes, and turnover. Ms. Cummings thanked the Panel for their patience and forbearance. She stated that what has happened to MRMIB has happened in state and local government, but she feels fortunate that the Board and the Panel understand the difficulties of it. She added that a lot of bosses expect the same performance despite staffing cuts. Ms. Gotlieb stated that the testimony of the advocacy groups to the Board was very important.

Legislative Update

Ms. Cummings reviewed the State Legislative Status Report and highlighted several bills that impacted the HFP. Ms. Cummings also presented a summary of SB 23 (Migden) that would require MRMIB to work with the Employment Development Department (EDD) to provide employers with a document about HFP and to assess the value of this outreach approach. Ms. Cummings said that the Board has not taken a position yet, but there are concerns that if money is to be spent on outreach, this may not be the best way to spend it. This could be a means to encourage employers to drop coverage or crowd out.

Mr. Kirkpatrick stated that there are a number of employers who do provide coverage to their employees, but do not pickup a significant amount of the dependent coverage, so this could be a good option. Ms. Cummings replied that there is a delicate balance between providing the information and further eroding employer sponsored coverage.

Ms. Stanley-Salazar stated that when there was \$50 million for outreach, there was probably an analysis of what happened to enrollment when that money was lost. She asked which form of outreach gives the biggest bang for the buck and also asked if

there had been an evaluation of the Teachers for Healthy Kids program. Ms. Cummings responded that there was not as much data available as they had hoped for. She added that the Teachers for Healthy Kids is done on a school by school basis. Ms. Lopez stated that the Board recently started recording when families are asking for an application and asking how they found out about the program, but are not tracking how many came back or were enrolled.

Dr. Tremain stated that there could be issues with crowding out to penalize those that go after coverage. He added that it may be worthwhile to get information on the employer, but also to find out why they are not covered. It could be important to find out if coverage is not provided or if it is too much.

2003 California Health Interview Survey (CHIS) Estimates of Eligible, But Unenrolled Children

Ms. Cummings reviewed the fact sheet published by the University of California Center for Health Policy Research estimating the number of uninsured children and the extent to which they are eligible for public programs based on the California Health Insurance Survey (CHIS) of 2003.

Dr. Tremain asked what the enrollment was at the end of 2003. Ms. Cummings responded that the data is available on the MRMIB website under archived enrollment reports. Dr. Tremain commented that if the program is covering three out of four eligible children, which is pretty good without outreach.

Dr. Morris stated that employment based insurance decreased 4 ½% and asked if this could be due to crowd out. Ms. Cummings replied it is difficult to know because this was an economically challenging time and there has been a long standing decline in employer sponsored coverage. She added that the Board did do a crowd out study and found that about 8% was due to crowd out and those that were crowded out stated that it was due to premiums.

Dr. Kutnik stated that this is a national phenomenon where coverage for children is shifting from the private sector to the public sector. Dr. Beck added that in the paragraph on policy implications, they suggest expanding state and county programs. Dr. Beck asked if anything could be done to encourage counties to change their caps on their Healthy Kids programs. Ms. Cummings replied that there is a limit on financial resources and the limited ability of the counties to sustain Healthy Kids is one of the dynamics that is driving universal children's coverage in the legislature. The foundations are also saying they don't want to do this forever. She added that there are two bills that will increase HFP eligibility, SB 377(Ortiz) increases eligibility to 275% Federal Poverty Level (FPL) and SB 38 (Alquist) increases eligibility to 300% FPL.

Enrollment, Disenrollment and Single Point of Entry Reports

Ms. Lopez reviewed the Enrollment, Disenrollment and Single Point of Entry Report for December 2004. Mr. Campana stated that the number of applications processed without assistance is disturbing, but hopefully the reinstatement of CAA fees will help. Dr. Tremain commented that it would be helpful to have the gross number of applications, the gross number of incomplete applications and the percentage to determine the relative risk of having an incomplete application.

Dr. Kutnik said he is getting feedback from Alameda County that when they look at incomplete application data it is inaccurate because the application might not actually be incomplete. He has heard about several instances where the documents were faxed to Maximus several times. It may be an operational issue that is causing the applications to be incomplete.

Martha Jazo-Bajet, M.P.H., asked what was missing on those that were incomplete and what the biggest knowledge gap in the community was. Ms. Lopez replied that Maximus put together a report for Covering Kids for the period of May 2004 to August 2004. They found the following reasons for incomplete applications: 32% had to do with income, where there was no income or the income was too old; 24% were missing a plan selection; 20% were missing the premium; 12% were missing a signature; 7% were missing demographics, such as address, phone number, child's name, etc. Dr. Tremain asked if the report included whether or not the incomplete application was disputed. Ms. Lopez replied that the report did not identify whether or not the incomplete application was disputed, but there is an audit pending. She added that she would have to look in to whether or not this was something that was being looked at.

Jose Carvajal from Alameda County said that there was a problem with Maximus processing new applications for those families that already had one on file but had been denied. It appears that if the original application was denied for missing information and the new application was complete, Maximus continued to work off of the original application, informing the families that their new or recently submitted application was incomplete. The CAAs in the Alameda Coalition are also experiencing long processing delays and by the time an eligibility specialist reviews the application, they advise the family that the income documentation is too old. Ms. Lopez responded that the business rules say that they must look at income based on the date the application was received and Maximus is current on all applications. She also stated that MRMIB staff will be conducting a review of the eligibility processes at Maximus which will include whether the eligibility specialists are processing applications consistent with the business rules of timeliness and accurate determinations.

Silvia Larin from Universal Care said that she has also experienced situations where it was said that the income documentation was too old. She also said that there was another case where she received a notice of action from a social worker where the case was closed several years ago, but HFP still sees the case as open. Ms. Soto-Taylor replied that HFP will accept a notice of action, but it has to be within two months. HFP

will not enroll the child if they are still enrolled in Medi-Cal and usually this happens when the county has failed to send the notice to be taken off of the MEDS system.

Enrique Juarez with Community Health Council (CHC) stated that the Board's assistance is needed when working with the counties. Ms. Lopez responded that there needs to be some coordination with the family. The family needs to understand the language that counties are speaking.

Mr. Campana commented that it is overwhelming for the families to be sent back to the counties and asked if there was something the Board could do. Ms. Lopez responded that as the Board becomes aware of the problem, staff contact the county or DHS. She added that HFP does not have jurisdiction over the counties, so they have to go through DHS, who is also short staffed and new. Mr. Campana asked if there was something that could be set up with new staff or a process with DHS. Ms. Cummings replied that staff would talk about whether MRMIB can do anything to improve the process.

Ms. Stanley-Salazar said that the Board would be able to do little because this is a reoccurring issue with the state and county system. She added that the advocates are critical. There has been a lot of employee turnover and relearning for new staff. She recommended encouraging open dialogue, have the advocates write fact sheets and get CAA's back in place. Ms. Cummings stated that the Board has found that there have been a lot of changes in county welfare workers, so staff recently went out and did training.

Dr. Beck stated that the Consumer Center for Health Education is an outstanding advocate. She added that the more cases that are referred to the Consumer Center, the more likely they will be documented and work to make a difference. For someone who has been turned down and is still having problems, the Consumer Center is a great advocate. She said that she would like to see the Board document the actual cases and problems and have an ongoing file. Ms. Cummings stated that these examples are the life of staff and are reviewed. Throughout the transition, staff has met with advocates and others and it has led to change. Michael Lemberg from Maximus said that the specific cases and examples are critical. He added that if the problem is still occurring, he needs to know about it so that it can be fixed. Maximus keeps a file with examples and certain types of problems so that they can go back and look at it. Dr. Beck said that it would be helpful to see this data. Mr. Lemberg replied that he would work with MRMIB staff to put out the data.

Dr. Kutnik said that it might be helpful for MRMIB staff to brainstorm about what can be done with the county system problems and get back to the Panel by e-mail rather than wait until the next meeting. He added that it would be helpful to get this information to share with the community and advocates as soon as possible.

Ms. Cummings stated that staff need to look for cases that indicate problems, but also need to be mindful that Maximus is processing paper on 700,000 existing cases each month. Dr. Tremain encouraged the Board to look for system issues, to log the

changes and to share it with the public so everyone can see the progress that is being made. He asked if this was something that could be made available to the Panel. Mr. Lemberg replied that this information was already provided to the Board, but he would work on putting something together for the Panel.

Retention Report

Ms. Lopez presented a summary of the Retention Report for 2001 and 2002. She said that the report for 2003 would be available in April or May. Dr. Tremain stated that these reports are complicated and that this report was laid out in a way that was very easy to understand. He asked if it was known whether the 60% in the National Academy of Health Policy (NASHP) study made the right determination or if their decision was based on knowledge or ignorance. Ms. Cummings replied that it is not known. Dr. Tremain asked how the 8% could be recaptured. Ms. Lopez added that staff are finishing the Annual Eligibility Review (AER) audit and looking at the AER packet. There is a process for looking at returned mail and for trying to update the information.

Ms. Cummings stated that the 100% Campaign has made suggestions about retention. She added that some of the other suggestions have been for the Program to no longer ask for income documentation; to look into an electronic system to confirm income; to have a passive AER; or to allow people to stay in the Program when they don't pay premiums.

Ms. Lopez added that the counties Healthy Kids programs have had a great retention rate. They have a hardship fund that people can apply for to help pay premiums. Some of the money comes from foundations, health plans, revenues and fund raisers. She added that Santa Clara sends employees out to where the person lives and has an office in the community. San Mateo was dismayed by their first AER, but the system is fragmented because they don't know if the kids came to HFP. She said that their needs to be a sharing of information between the programs.

Administrative Vendor Update

Steve Tough and Michael Lemberg from Maximus reviewed the Administrative Vendor Performance Report. Mr. Lemberg said that there haven't been any problems with the call center and they are pushing applications through very quickly. He added that there could be exceptions, but he needs to know specifics. Most applications are being completed in 10 days, even if they are missing information.

Dr. Kutnik stated that he is still hearing about misinformation being given out by the call center and callers not being able to talk to a supervisor. Mr. Lemberg replied that the CCC unit is staffed with senior people so callers can talk to a supervisor and they are able to resolve any issues. These supervisors have super user computer access and can fix things that normal operators can not. There are a maximum of 25 supervisors available at all times, which is a 7:1 ratio.

Mr. Lemberg said that there has been a plan in place to have eligibility specialists do a better job of inputting notes so that the operator can see what is going on. Sometimes there is a disconnect between what the eligibility person is doing and what the operator is telling the client. They are working on fixing this problem by entering more detailed information in the notes.

Dr. Tremain asked how many of the appeals that go through Maximus's first level appeals process are denied or approved and how many go to the State for a second level review. Ms. Lopez stated that they have been trying to get this data since 1998 and have been refining the Maximus database and the Board's to analyze the data.

Mr. Carvajal commented that the e-mail response from Maximus has been very good.

Dr. Tremain commented that there are over 600 people working at Maximus in Folsom every day and the most important thing is to identify patterns and look for ways to get better.

Ms. Stanley-Salazar asked that a report on substance abuse be added to the agenda for the next meeting.

Future Meeting Dates

Mr. Campana announced that the future meeting dates had been changed and that the meetings for the remainder of the year would be held at the Ziggurat building in West Sacramento. The future meeting dates are as follows:

May 4, 2005 in West Sacramento
August 3, 2005 in West Sacramento
November 2, 2005 in West Sacramento